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FR-4915-01-P

DEPARTMENT OF TRANSPORTATION

Surface Transportation Board

[STB Docket Finance Docket No. 35142]

St. Clair Tunnel Company—Intra-Corporate Family Merger Exemption—Grand Trunk  
Western Railroad Incorporated

St. Clair Tunnel Company (SCTC), a Class III rail common carrier, and Grand Trunk Western Railroad Incorporated (GTW), a Class I rail common carrier, have jointly filed a verified notice of exemption under 49 CFR 1180.2(d)(3) for an intra-corporate family merger of GTW with and into SCTC, with SCTC as the surviving corporation. GTW and SCTC are direct subsidiaries of Grand Trunk Corporation (GTC) and indirect subsidiaries of Canadian National Railway Company (CN).<sup>1</sup> Upon completion of the transaction, SCTC would change its corporate name to Grand Trunk Western Railroad Company.

The transaction is scheduled to be consummated on or after August 8, 2008, the effective date of the exemption.

The purpose of the transaction is to simplify the U.S. corporate structure of CN by eliminating a railroad within that structure and to accommodate certain Canadian tax considerations.

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<sup>1</sup> All of CN's U.S. rail operating subsidiaries, including GTW and SCTC, report to the Board on a consolidated Class I basis under the GTC name.

This is a transaction within a corporate family of the type specifically exempted from prior review and approval under 49 CFR 1180.2(d)(3). The parties state that the transaction will not result in adverse changes in service levels, significant operational changes, or any change in the competitive balance with carriers outside the corporate family.

Under 49 U.S.C. 10502(g), the Board may not use its exemption authority to relieve a rail carrier of its statutory obligation to protect the interests of its employees. As a condition to the use of this exemption, any employees adversely affected by this transaction will be protected by the conditions set forth in New York Dock Ry.—Control—Brooklyn Eastern Dist., 360 I.C.C. 60 (1979).

If the notice contains false or misleading information, the exemption is void ab initio. Petitions to revoke the exemption under 49 U.S.C. 10502(d) may be filed at any time. The filing of a petition to revoke will not automatically stay the transaction. Petitions for stay must be filed no later than August 1, 2008 (at least 7 days before the exemption becomes effective).

An original and 10 copies of all pleadings, referring to STB Finance Docket No. 35142, must be filed with the Surface Transportation Board, 395 E Street, N.W., Washington, DC 20423-0001. In addition, one copy of each pleading must be served on Thomas J. Litwiler, Fletcher & Sippel LLC, 29 North Wacker Drive, Suite 920, Chicago, IL 60606-2832.

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Decided: July 17, 2008.

By the Board, David M. Konschnik, Director, Office of Proceedings.

Anne K. Quinlan

Acting Secretary